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HAVAN, THU THAO

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/854,423
Filing Date: May 10, 2001
Appellant(s): TSO

Nidhi Chotani
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed October 13, 2009 appealing from the Office action mailed September 30, 2008.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

New Grounds of Rejection:

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 3-9, and 11-14 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

With regard to claims 1, 3-9, and 11-14, a claimed process is eligible for patent protection under 35 U.S.C. § 101 if:

"(1) it is tied to a particular machine or apparatus, or (2) it transforms a particular article into a different state or thing. See Benson, 409 U.S. at 70 ('Transformation and reduction of an article 'to a different state or thing' is the clue to the patentability of a process claim that does not include particular machines.');" Diehr, 450 U.S. at 192 (holding that use of mathematical formula in process 'transforming or reducing an article to a different state or thing' constitutes patent-eligible subject matter); see also Flook, 437 U.S. at 589 n.9 ('An argument can be made [that the Supreme] Court has only recognized a process as within the statutory definition when it either was tied to a particular apparatus or operated to change materials to a 'different state or thing' '); Cochrane v. Deener, 94 U.S. 780, 788 (1876) ('A process is...an act, or a series of acts, performed upon the subject-matter to be transformed and reduced to a different state or thing.').⁷ A claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed. And a claimed process that transforms a particular article to a specified different state or thing by applying a fundamental principle would not pre-empt the use of the principle to transform any other article, to transform the same article but in a manner not covered by the claim, or to do anything other than transform the specified article." (In re Bilski, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008))

Also noted in *Bilski* is the statement, “Process claim that recites fundamental principle, and that otherwise fails ‘machine-or-transformation’ test for whether such claim is drawn to patentable subject matter under 35 U.S.C. §101, is not rendered patent eligible by mere field-of-use limitations; another corollary to machine-or-transformation test is that recitation of specific machine or particular transformation of specific article does not transform unpatentable principle into patentable process if recited machine or transformation constitutes mere ‘insignificant post-solution activity.’” (*In re Bilski*, 88 USPQ2d 1385, 1385 (Fed. Cir. 2008)) Examples of insignificant post-solution activity include data gathering and outputting. Furthermore, the machine or transformation must impose meaningful limits on the scope of the method claims in order to pass the machine-or-transformation test. Please refer to the USPTO’s “Guidance for Examining Process Claims in view of *In re Bilski*” memorandum dated January 7, 2009,

http://www.uspto.gov/web/offices/pac/dapp/opla/documents/bilski_guidance_memo.pdf .

It is also noted that the mere recitation of a machine in the preamble in a manner such that the machine fails to patentably limit the scope of the claim does not make the claim statutory under 35 U.S.C. § 101, as seen in the Board of Patent Appeals Informative Opinion Ex parte Langemyr et al. (Appeal 2008-1495),

<http://www.uspto.gov/web/offices/dcom/bpai/its/fd081495.pdf> .

Claims 1, 3-9, and 11-14 are not tied to a particular machine or apparatus nor do they transform a particular article into a different state or thing, thereby failing the

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machine-or-transformation test; therefore, claims 1, 3-9, and 11-14 are non-statutory under § 101.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

The recitation "a computer-implemented method of processing a transaction" has not been given patentable weight because the recitation occurs in the preamble. A preamble is generally not accorded any patentable weight where it merely recites the purpose of a process or the intended use of a structure, and where the body of the claim does not depend on the preamble for completeness but, instead, the process steps or structural limitations are able to stand alone. See *In re Hirao*, 535 F.2d 67, 190 USPQ 15 (CCPA 1976) and *Kropa v. Robie*, 187 F.2d 150, 152, 88 USPQ 478, 481 (CCPA 1951).

(8) Evidence Relied Upon

| | | |
|--------------|------------------|---------|
| US 6,061,660 | Eggleston et al. | 05-2000 |
| US 4,968,873 | Dethloff | 11-1990 |

(9) Grounds of Rejection

New Grounds of Rejection

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http://www.uspto.gov/web/offices/pac/dapp/opla/documents/bilski_guidance_memo.pdf.

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Claims 1, 3-9, and 11-14 are not tied to a particular machine or apparatus nor do they transform a particular article into a different state or thing, thereby failing the machine-or-transformation test; therefore, claims 1, 3-9, and 11-14 are non-statutory under § 101.

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The following are the rejections as per the Final Rejection

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1, 3-9, 11-15, 17-23, 25-29, 31-37, and 39-41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Eggleston et al. (US 6,061,660) in view of Dethloff (US 4,968,873).

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Re claims 1, 15, and 29, Eggleston teaches a method for processing a transaction (col. 44, lines 40-49), the method comprising the computer implemented steps of:

receiving at an intermediary (fig. 2, element 38; An intermediary as claimed corresponds to a telecommunications connections in Eggleston since they are both a connection to link information between users), from a first participant in the transaction, a request to process the transaction using a first currency that is not recognized by a second participant in the transaction (col. 44, line 64 to col. 45, line 67; Eggleston discloses a card with userid and password wherein the user obtain incentive points to redeem the award/money at any retails. Thus one retail doesn't necessary recognize another retailers' redemption points but accepts the incentive points due to the points in the card);

in response to receiving the request from the first participant, decrementing, by the intermediary (please see above explanation), an amount of the first currency associated with the first participant by decrementing a balance of a first currency account of the first participant, and incrementing, by the intermediary (please see above explanation), an amount of second currency associated with the first participant by incrementing a balance of a second currency account of the first participant, wherein the second currency is recognized by the second participant (col. 46, lines 4-55; Eggleston discloses the step of reducing the points in the card as awards are being granted to the user).

However, Eggleston does not explicitly teach processing the transaction using the amount of second currency associated with the first participant. On the other hand, Dethloff discloses processing the transaction using the amount of second currency associated with the first participant (col. 4, line 29 to col. 6, line 49). Dethloff discloses the cardholder or the

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issuer, after issuance or re-issuance of the card, to assign different values to one unit, change the designations of units and assign additional designation to a unit, all within the scope of the original extent of terms, and credit values initialized or reissued by the issuer(s). The capabilities of the card, namely to be assignable to sub-users (i.e. participant) and to be alterable as to the values and designations of the stored units, can be provided in individual (single) or in combinational (multi-user-value-card). Thus, it would have been obvious to one of ordinary skill in the art to process the transaction using the amount of second currency associated with the first participant when using a multi-user-value-card to assign different values to a plurality of retailers as discloses in Dethloff.

Re claims 3, 17, and 31, Eggleston teaches amount of second currency incremented by the intermediary is determined based upon at least the amount of first currency decremented by the intermediary (col. 44, line 64 to col. 45, line 67).

Re claims 4, 18, and 32, Eggleston teaches amount of second currency incremented by the intermediary is determined based upon at least a set of one or more conversion criteria (col. 21, lines 4-28). Eggleston adding or deleting prizes or changing prices or fulfillment options in the incentive points according to user's criteria in receiving the award(s).

Re claims 5, 8, 19, and 33, Eggleston teaches set of one or more conversion criteria includes a time at which the request from the first participant is received (col. 1, lines 46-62; fig. 9). Eggleston discloses the time is required to keep track of loyalty points earned in each separate incentive program.

Re claims 6-7, 20-22, and 34-36, Eggleston teaches set of one or more conversion criteria includes one or more attributes of the first/second participant (col. 41, lines 5-38; col.

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27, lines 8-34; col. 25, lines 15-49). Eggleston discloses attributes by information and criteria of retailers.

Re claims 9, 23, and 37, Eggleston teaches set of one or more conversion criteria includes which products or services are involved in the transaction (col. 41, lines 28-65; col. 42, lines 38-57).

Re claims 11, 25, and 39, Eggleston teaches decrementing the balance of the first currency account and incrementing the balance of the second currency account are performed as an atomic transaction (col. 46, lines 4-55). Eggleston calculations and printed invoices for payment by a financial institution to an incentive company based on the credit instruments issued under the incentive program are made and are dependent upon the monetary volume of expenditures.

Re claims 12-13, 26-27, and 40-41, Eggleston teaches if the transaction is not successfully processed, then incrementing the first currency associated with the first participant by the amount of first currency that was previously decremented (col. 21, lines 4-28). Eggleston discloses the retailer may elect to update the award database by adding or deleting prizes or changing prices or fulfillment options.

Re claims 14 and 28, Eggleston teaches receiving, from the first participant, a request to process a second transaction involving the first participant and a third participant using the first currency that is not recognized by the third participant; decrementing an additional amount of the first currency associated with the first participant; incrementing an amount of third currency associated with the first participant, wherein the third currency is recognized by

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the third participant; and processing the second transaction using the amount of the third currency (col. 44, line 64 to col. 45, line 67; col. 46, lines 4-55).

(10) Response to Argument

Upon a closer examination, Applicant's arguments filed October 13, 2009 have been fully considered but they are not persuasive.

In response to the arguments concerning the previously rejected claims the following comments are made:

A.) Applicant alleges that the prior art made of record fails to teach intermediary. The examiner disagrees with applicant's representative since Eggleston discloses intermediary in relation to communication links in a network (fig. 2). In the specification of the pending application, Applicant stated in paragraphs 0021 which defines intermediary as "Participant 204 is communicatively coupled to intermediary 206 via a communications link 210. Communications links 208, 210 may be implemented by any medium or mechanism that provides for the exchange of data between participant 202 and intermediary 206 and between participant 204 and intermediary 206, respectively. Examples of communications links 208, 210 include, without limitation, any number of networks, such as Local Area Networks (LANs), Wide Area Networks (WANs), Ethernet or the Internet, or one or more terrestrial, satellite or wireless links." Thus, in figure 2, element 38, an intermediary as claimed corresponds to a telecommunications connections in Eggleston since they are both a connection to link information between users.

B.) Applicant alleges that the prior art made of record fails to teach not recognized by the second participant. The examiner disagrees with applicant's representative since Eggleston discloses the step of not recognized by the second participant (col. 46, lines 4-55) when he discloses the step of reducing the points in the card as awards are being granted to the user. He discloses loyalty points can be awarded for participation with respect to multiple retailers, and merchandise can be awarded by the sponsor offering the incentive program or by third party retailers. Therefore, the points are needed not to be recognized by the third party as in second participant as claimed.

With regards to the claims rejected as taught by Eggleston and Dethloff, the examiner would like to point out that the reference teaches the claimed limitations and thus provides adequate support for the claimed limitations. Therefore, the examiner maintains that Eggleston and Dethloff taught the claimed limitations.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within TWO MONTHS from the date of this answer

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exercise one of the following two options to avoid sua sponte dismissal of the appeal as to the claims subject to the new ground of rejection:

(1) Reopen prosecution. Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) Maintain appeal. Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1). Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

/Thu Thao Havan/
Primary Examiner, Art Unit 3695

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Conferees:

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